Top full-service sales promotion agencies

Rank 1988	Rank 1987[1]		Agency, headquarters	Total revenues 1988	Total revenues 1987	Staff-time fees 1988	Staff-time fees 1987	Commission 1988	Commission 1987	Other 1988	Other 1987	Consulting[2] revs % '88 total revs	Leading service % '88 total revenues[3]	Top executive, title	Telephone
1	1	✓	American Consulting Corp. (FKB), New York	$24,300	$25,500	NA	NA	NA	NA	NA	NA	12.0	Design, execution/45.0%	Peter H. Engel, chmn, ceo	(212) 627-4100
2	2		D.L. Blair Corp., Garden City, N.Y.	24,200	22,500	NA	NA	NA	NA	NA	NA	19.0	Sweepstakes/27.0%	Thomas J. Conlon, chmn, ceo	(516) 746-3700
3	4	✓	Frankel & Co., Chicago	19,600	14,000	$15,900	$11,900	$1,900	$1,000	$1,800	$1,100	35.0	Art production /15.0%	Bud Frankel, president, chmn,ceo	(312) 938-1900
4	3	✓	Lintas:Marketing Communications, New York	18,315	15,923	NA	NA	NA	NA	NA	NA	NA	NA	W.P. Muir, chmn, ceo	(212) 463-7715
5	11	✓	Sales Aides International, Melrose Park., Pa.	16,555	9,851	NA	NA	NA	NA	NA	NA	NA	NA	Allen N. Liss, president	(215) 782-9090
6	10	✓	CCG/TCA, Greenwich, Conn.	16,425	10,653	12,100	6,692	4,325	3,961	NA	NA	45.0	Point-of-purchase/25.0%	Ted Colangelo, chmn	(203) 531-3600
7	12		Elnson Freeman, Paramus, N.J.	16,000	9,500	NA	NA	NA	NA	NA	NA	15.0	Creative/45.0%	P. Jan Anstatt, chmn	(201) 262-7200
8	7	✓	Promotion Group, Irvine, Calif.	15,430	12,050	NA	NA	NA	NA	NA	NA	20.0	Incentives/15.0%	Matt Alcone, president, ceo	(714) 770-4400
9	16	✓	Sage Worldwide Promotions, New York	14,108	7,105	14,108	5,500	NA	1,605	NA	NA	30.9	Point-of-purchase/27.0%	Spencer Hapoienu, sr vp, mng dir.	(212) 503-6300
10	5	✓	Comart-KLP, New York	13,700	12,900	11,000	10,500	1,700	1,600	1,000	800	16.0	Point-of-purchase/33.0%	Vincent Sottosanti, president, ceo	(212) 714-2550
11	6		Niven Marketing Group, Des Plaines, Ill.	13,626	12,879	6,332	5,975	7,294	6,904	NA	NA	NA	NA	Ronald D. Niven, president	(312) 298-0404
12	8		Flair Communications Agency, Chicago	12,680	11,261	8,568	7,451	4,112	3,810	NA	NA	25.0	Point-of-purchase/25.0%	Lee F. Flaherty, ceo	(312) 943-5959
13	13	✓	IMPACT, Chicago	12,150	9,112	9,100	6,800	3,050	2,312	NA	NA	90.0	Production/10.0%	Joseph P. Flanagan, president	(312) 751-3500
14	15	✓	QLM Associates (FKB), Princeton, N.J.	9,855	7,247	6,952	5,652	1,962	1,595	941	NA	25.0	Creative/50.%	W.R. Lipsky, president	(609) 683-1177
15	14		Marketing Corp. of America, Westport, Conn.	8,500	7,600	NA	NA	NA	NA	NA	NA	55.0	Execution svc/45.0%	Chris Barr, president	(203) 222-1000
16	23	✓	Sims Freeman O'Brien, Elmsford, N.Y.	8,368	4,544	3,856	2,977	4,494	1,567	18	NA	50.0	Graphics/25.0%	Jack Sims, ceo	(914) 347-2600
17	17	✓	Beaumont-Bennett, New York	7,345	6,889	1,577	1,098	5,768	5,791	NA	NA	NA	NA	Mike Zisser, chmn	(212) 984-6800
18	24		DelWilber & Associates, McLean, Va.	7,000	4,000	2,500	1,500	4,500	2,500	NA	NA	NA	NA	Del Wilber, president	(703) 749-9300
19	9	✓	Rogers Merchandising, Lombard, Ill.	6,960	10,766	NA	9,843	NA	923	NA	NA	NA	NA	Don Casey, ceo	(312) 953-9530
20	20		Cato Johnson/Y&R, New York	6,927	5,712	5,541	4,572	1,386	1,140	NA	NA	48.0	Graphics/20.0%	Donald Casey, chmn	(212) 941-3700
21	19		Siebel/Mohr, New York	6,786	6,079	5,303	4,700	1,410	1,379	73	NA	NA	NA	Frederick Siebel, chmn	(212) 593-0500
22	18	✓	Intergroup Mktg & Promo., Bloomfield Hills, Mich.	6,594	6,716	1,727	2,010	4,867	4,706	NA	NA	11.0	DM, merch., promo/57.0%	Richard H. Ross, president, ceo	(313) 433-5200
23	21	✓	Communications Diversified, New York	6,400	5,600	NA	NA	NA	NA	NA	NA	35.0	Co-op promotions/15.0%	William Herneberry, chmn, ceo	(212) 213-3300
24	25		Block Everett Nardizzi (BEN), New York	5,640	3,700	4,200	3,300	1,440	400	NA	NA	NA	Point-of-purchase/40.0%	Joseph Block, president, event mktg	(212) 505-9303
25	22		William A. Robinson, Chicago	5,600	4,800	2,600	2,300	1,500	1,000	1,500	1,500	20.0	Creative/20.0%	Bill Robinson, ceo	(312) 372-9333
26	NA		Saugatuck Group (FKB), Westport, Conn.	5,486	NA	1,625	NA	3,761	NA	100	NA	15.0	Creative/28.0%	Gary W. Oakley, chmn	(203) 226-6042
27	30	✓	Amrein Marketing Associates, Wilton, Conn.	5,361	2,500	2,144	NA	2,734	NA	483	NA	55.0	Sweepstakes/20.0%	James R. Amrein, president	(203) 762-9464
28	26		Lee Hill Inc., Chicago	5,142	3,699	NA	NA	NA	NA	NA	NA	70.0	Creative/20.0%	Paul Rogalla, president	(312) 266-9090
29	27	✓	Bell & Partners, South Norwalk, Conn.	4,200	3,331	NA	NA	NA	NA	NA	NA	28.0	Audio, visual/25.0%	Martin J. Bell, president	(203) 866-2877
30	29		ICE Communications, Rochester, N.Y.	3,791	2,870	NA	NA	NA	NA	NA	NA	NA	NA	Francis. J. Cosentino, president, ceo	(716) 244-5400
31	28	✓	Marcon Marketing Services, New York	3,250	3,075	2,483	2,400	776	675	NA	NA	46.0	Point-of-purchase/15.0%	Stephen Field, president	(212) 683-3332
32	36		American Mktg. & Commun., Santa Barbara, Calif.	3,237	2,122	1,762	1,147	1,475	975	NA	NA	NA	NA	Richard H. Rovsek, president	(805) 969-5823
33	37	✓	Lee Krost Associates, Stamford, Conn.	3,200	2,100	NA	NA	3,200	2,100	NA	NA	NA	Sweepstakes/20.0%	Lee M. Krost, president	(203) 358-8890
34	39		WORCO Marketing Resources, Los Alamitos, Calif.	3,000	2,000	240	200	360	180	NA	NA	15.0	Audio, visual/30.0%	Hunter Finch, program director	(213) 431-1847
35	31		Focus Marketing (FKB), Norwalk, Conn.	2,500	2,500	1,100	1,300	950	700	450	500	40.0	Implementation/38.0%	George Blystone, chmn	(203) 855-0900
36	41		Coddington, Chadwick & Meyerson, New York	2,430	1,805	2,065	1,535	365	270	NA	NA	50.0	Project administration/35.0%	W. Coddington, president	(212) 689-8225
37	35	✓	Highland Group, Southport, Conn.	2,418	2,165	1,346	1,191	1,072	974	NA	NA	NA	NA	Frederick R. Tscheulin, president	(203) 254-3505
38	34		Strategic Promotions, Dallas	2,312	2,166	830	452	1,391	1,611	101	104	34.0	Point-of-purchase/26.0%	Grahame R. Hopkins, president	(214) 871-1016
39	38	✓	Alley Marketing, New York	2,303	2,075	685	580	947	749	671	746	45.0	Production/45.0%	Frank Ombres, president	(212) 545-8500
40	33		Marketing Partnership, Greenwich, Conn.	2,260	2,200	1,610	1,430	650	770	NA	NA	65.0	Direct marketing/20.0%	Richard M. Duffy, chmn	(203) 622-0777
41	40	✓	PGM Inc., Chicago	2,109	1,872	NA	NA	NA	NA	NA	NA	15.0	Creative/35.0%	W. Goldman, S. Miller, partners	(312) 337-7675
42	32		Promotion Development Corp., Westport, Conn.	2,000	2,421	NA	NA	NA	NA	NA	NA	70.0	Execution/30.0%	Nicholas G. Ceppi, ceo	(203) 259-7911
43	44	✓	August, Bishop & Meier, Chicago	1,864	1,525	NA	NA	NA	NA	NA	NA	NA	NA	Mark Bishop, exec vp	(312) 985-9200
44	43	✓	Mitchell & Comer, Toledo, Ohio	1,739	1,564	1,666	1,476	73	88	NA	NA	35.0	Audio, visual/30.0%	Lee Comer, chmn	(419) 243-7600
45	48	✓	Herman & Marciano, Minneapolis	1,700	1,200	1,260	840	440	360	NA	NA	NA	Creative/50.0%	Stan Herman, president	(612) 332-5190
46	45	✓	Diamond Promotion Group, New York	1,627	1,500	NA	NA	NA	NA	NA	NA	15.0	Graphics/25.0%	Andrew Cohen, president	(212) 685-6622
47	46	✓	Promotion Works, Minneapolis	1,525	1,400	NA	NA	NA	NA	NA	NA	NA	NA	Dave Levi, president, ceo	(612) 347-1490
48	47		Promotion Group, New York	1,500	1,300	993	910	425	390	82	NA	15.0	Creative/35.0%	Daniel J. Gorman, president	(212) 223-2990
49	42		J.P. Hogan & Co., Knoxville	1,445	1,800	586	771	859	1,030	NA	NA	NA	NA	Joseph P. Hogan, chmn, ceo	(615) 545-7661
50	49		Waylon Co., St. Louis	1,200	1,000	NA	NA	NA	NA	NA	NA	60.0	Graphics/15.0%	James E. SanFilippo, president	(314) 772-2322
51	52		Promotional Innovations, Stamford, Conn.	1,133	726	905	617	228	109	NA	NA	50.0	Creative/25.0%	John T. Henderson, president	(203) 325-3448
52	54	✓	Dugan, Valva Associates, Fairfield, N.J.	1,118	652	NA	NA	NA	NA	NA	NA	45.0	NA	Peter Dugan, chmn	(201) 227-7396
53	51		McCann Promotion Group, New York	1,050	750	900	700	150	50	NA	NA	40.0	Creative/40.0%	Bob Dunn, managing director	(212) 697-6000
54	56		National Promotion Services, Atlanta	870	545	650	400	220	145	NA	NA	20.0	Sweepstakes/15.0%	Daniel A. Dodson, president	(404) 266-9258
55	50	✓	PPI Marketing Group, Rochester, N.Y.	850	800	650	600	NA	NA	NA	NA	80.0	Execution evaluation/20.0%	Richard S. Mainzer, chmn	(716) 473-6770
56	53	✓	Daymark Inc., Cincinnati	822	710	661	696	161	14	NA	NA	15.0	Creative/20.0%	Kerry B. Didday, president,creative dir.	(513) 751-1730
57	55		Henderson Marketing Services, Greenville, S.C.	622	544	483	561	139	83	NA	NA	15.0	NA	Michael M. Wilson, sr vp, genl mgr	(803) 271-8000
58	58		Target Sales Response Marketing, San Francisco	560	400	500	320	60	80	NA	NA	20.0	Production/30.0%	Robert E. Blomquist, vp, genl mgr	(415) 956-7470
59	59	✓	DDLA Inc., Chicago	477	273	203	88	274	185	NA	NA	80.0	Tie-ins/6.0%	E.Dean Daigler, president	(312) 372-4722
60	57		Underline Inc., Dallas	475	420	400	350	75	70	NA	NA	45.0	Point-of-purchase/25.0%	Patricia A. Favri, president	(214) 747-6565
61	60	✓	Market-Zing Promotions, Cleveland	366	219	361	207	5	12	NA	NA	NA	NA	Ray Miller, president	(216) 831-6615
62	61	✓	Noble Promotion Group, Springfield, Mo.	293	218	273	196	20	22	NA	NA	NA	NA	Robert B. Noble, chmn, ceo	(417) 882-5050

Notes: Dollars are in thousands. 1. 1987 ranking based on 1987 revenues provided for this report. 2. Consulting includes strategic planning. 3. Leading service includes the various forms of execution apart from consulting. ✓ indicates that agency received signature of independent account verifying figures supplied AA.
Source: AAsurvey.

Compiled by Kenneth Wylie.
AA chart: Kevin Brown.

Top specialty sales promotion agencies

Rank 1988	Rank 1987 [1]		Agency, headquarters	Total revenues 1988	Total revenues 1987	Consulting [2] revs % '88 total revs	Top service % '88 total revenues [3]	Top executive, title	Telephone
1	14		Carnegie Associates, Santa Barbara, Calif.	$10,000	$1,000	15.0	Incentive/64.0%	Walter L. Schaffer, president	(805) 969-7220
2	1		Merchandising Workshop, New York	8,500	8,000	NA	Production/67.5%	Norman Alshooler, president	(212) 239-4646
3	3	✓	Columbian Advertising, Chicago	7,595	6,175	10.0	Point-of-purchase/60.0%	Bernard Miller, Jr., chmn	(312) 943-7600
4	2	✓	Guild Group, Pleasantville, N.Y.	6,000	6,600	20.0	Creativity/80.0%	Victor Ayala, president	(914) 747-1331
5	8	✓	PriceWeber Marketing Commun., Louisville, Ky.	4,500	3,700	NA	Point-of-purchase/50.0%	Shanna Columbus, president	(502) 499-9220
6	5	✓	Don Jagoda Associates, Syosset, N.Y.	4,275	4,100	NA	Sweepstakes/43.0%	Don Jagoda, president	(516) 496-7300
7	7		Smiley Promotion, New York	3,975	3,800	27.0	Sweepstakes/55.0%	Ronald Smiley, president	(212) 727-0770
8	6		Wolf Blumberg Krody, Cincinnati	3,900	4,050	12.0	Point-of-purchase/32.0%	Dale Wolf, president, ceo	(513) 751-0258
9	4	✓	R.P. Klein Associates, New York	3,500	4,500	25.0	Production/75.0%	Richard P. Klein, president	(212) 557-1450
10	NA	✓	Core Group Marketing, Minneapolis	3,381	NA	38.0	Fulfillment/38.0%	Robert H. Hamilton, president	(612) 942-2939
11	NA		JKC Marketing, Metuchen, N.J.	3,000	NA	NA	Premiums/40.0%	John Kissane, vice president	(201) 549-6868
12	11		Modular Marketing, New York	2,977	1,933	35.0	Event/35.0%	Harry Kraus, president	(212) 581-4690
13	9		Roger Maier, Mt. Arlington, N.J.	2,950	2,600	NA	Direct marketing/50.0%	Roger Maier, president, ceo	(201) 770-1500
14	10	✓	Robert H. Meyer & Associates, Minneapolis	2,502	2,076	NA	Production/77.0%	A. Keith McCracken, president, ceo	(612) 920-5744
15	15		Good Promotions, Memphis	2,000	950	NA	Point-of-purchase/60.0%	Michael D. Hartshaw, dir, promo mktg	(901) 761-0741
16	12	✓	Davidson Marketing, Chicago	1,900	1,520	NA	NA	Bill Davidson, president	(312) 527-3900
17	13		Promotion Group Central, Evanston, Ill.	1,500	1,100	20.0	Sweepstakes/40.0%	Edward J. Drum, president	(312) 866-0100
18	16		Woolf-Reitman Associates, Chicago	935	585	25.0	Production/60.0%	Irving Woolf, chmn, president	(312) 751-0033
19	17	✓	Saxton Communications Group, New York	730	582	9.0	Tie-ins/35.0%	Michael J. Enzer, president	(212) 867-2210
20	18		Dovetail Partner Promo., Shawnee Mission, Kan.	275	220	NA	Tie-ins/100%	Richard Hopkins, president	(913) 831-4553
NA	NA		Carlson Promotion Group, Minneapolis	NA	NA	NA	NA	Joel E. Burke, president	(612) 540-5000

Top ad agencies with sales promotion revenues

Rank 1988	Rank 1987 [1]		Agency, headquarters	Sales promo revenues 1988	Sales promo revenues 1987	Promo revs % '88 total revs	Total revenues 1988	Total revenues 1987	Top executive, title	Telephone
1	2	✓	Ross Roy Group, Bloomfield Hills, Mich.	$5,314	$3,902	6.2	$85,200	$71,300	Glen W. Fortinberry, chmn	(313) 433-6000
2	1	✓	Lavey/Wolff/Swift, New York	4,468	3,906	35.2	12,700	10,800	John F. Swift, president, ceo	(212) 593-3630
3	3		McAdams, Richman & Ong, Bala Cynwyd, Pa.	2,730	2,550	33.5	8,150	8,375	Hank Kozlowski, chmn	(215) 667-8900
4	4	✓	Liggett-Stashower, Cleveland	1,899	1,904	17.9	10,609	10,500	David L. Stashower, chmn, ceo	(216) 348-8500
5	9		Waldbillig & Besteman, Madison, Wis.	1,773	1,261	58.2	3,044	4,529	William Waldbillig, president	(608) 238-4767
6	6		Responsive Marketing Commun, Schaumburg, Ill.	1,751	1,592	70.0	2,501	2,123	A.J. Marsiglia, president	(312) 240-1100
7	5	✓	Marketing Support, Chicago	1,748	1,703	43.3	4,040	3,854	David L. Weiner, president	(312) 565-0044
8	7	✓	Creswell, Munsell, Fultz & Zirbel, Cedar Rapids	1,663	1,477	14.0	11,900	11,400	Frank C. Baker, president	(319) 395-6500
9	8	✓	Sutton Healthcare Group, New York	1,530	1,350	35.6	4,300	3,400	Glenn DeSimone, president	(212) 779-1818
10	12	✓	Promot Inc., Los Angeles	1,271	756	79.0	1,609	1,007	K.J. Laessig, president	(213) 466-0990
11	NA	✓	Frank J. Corbett Inc., Chicago	968	NA	9.9	9,786	7,927	John J. Fisher, president	(312) 664-5310
12	10		Louis London Inc. (FKB), St. Louis	935	960	55.0	1,700	1,600	Mark Shapiro, president	(314) 367-4100
13	11	✓	Long, Haymes & Carr, Winston-Salem, N.C.	900	765	7.5	12,000	9,100	Donald N. Adams, chmn, ceo	(919) 765-3630
14	20		Charnas Inc., Glastonbury, Conn.	775	485	25.4	3,057	2,818	Robert D. Charnas, president	(800) 242-7627
15	17	✓	Girgenti, Hughes, Butler & McDowell, New York	750	555	26.3	2,850	1,850	Steven Girgenti, president	(212) 481-7080
16	NA	✓	Marketing Resources, Overland Park, Kan.	750	NA	9.0	8,337	5,160	Frank G. Weyforth Jr., president, ceo	(913) 648-8333
17	18		McKee Advertising, Elk Grove Village, Ill.	734	529	71.8	1,022	879	Edward H. McKee, president	(312) 956-8188
18	13	✓	Delfino Marketing Communications, Valhalla, N.Y.	721	712	NA	NA	NA	Geno B. Delfino, president	(914) 747-1400
19	14		William Douglas McAdams, New York	675	682	4.4	15,200	15,200	Irwin C. Gerson, chmn, ceo	(212) 698-4033
20	16		QML Communications, Dedham, Mass.	600	600	84.6	709	709	Alan E. Nash, chmn, pres	(617) 329-8111
21	21	✓	Grant/Jacoby, Chicago	600	450	9.1	6,600	6,2[illegible]	Bruce I. Carlson, president	(312) 664-2055
22	15		Aragon Sales Development Services, St. Louis	525	615	5.7	9,200	10,316	Patricia Biggerstaff, president	(314) 726-4605
23	NA	✓	Berenson, Isham & Partners, Boston	516	NA	20.6	2,504	2,913	Paul Berenson, president, cd	(617) 423-1120
24	NA	✓	Adair-Greene Advertising, Atlanta	515	NA	36.4	1,415	1,168	William M. Adair, chmn	(404) 351-8424
25	19	✓	Grant Marketing Commun, Conshohocken, Pa.	500	490	39.2	1,275	1,145	Howard C. Grant, chmn	(215) 834-0550
26	24	✓	Marketing Continuum, Dallas	473	373	50.0	945	745	Roberta A. Merkel, president/founder	(214) 520-0080
27	22		Gilbert, Whitney & Johns, Whippany, N.J.	454	445	11.7	3,875	3,225	John Daltner, president	(201) 386-1776
28	27		Publicidad Siboney, New York	437	255	13.7	3,188	2,395	Jose M. Cubas, president	(212) 213-6640
29	25		Launey, Hachmann & Harris, New York	430	351	20.1	2,138	2,369	Robert E. Launey, president	(212) 879-1702
30	23	✓	Penny/Ohlmann/Neiman, Dayton, Ohio	423	418	17.5	2,413	2,240	Walter Ohlmann, president, ceo	(513) 278-0681
31	28	✓	Dahlin Smith White, Salt Lake City	420	225	12.0	3,490	2,292	John D. Dahlin, president	(801) 364-0919
32	NA		Laurence Charles Free & Lawson, New York	403	NA	0.9	43,300	43,200	Thomas E. Lawson, president,ceo	(212) 213-4646
33	26	✓	Rolf Werner Rosenthal, New York	337	292	5.1	6,675	7,400	Ronald J. Souza, president, ceo	(212) 684-0900
34	NA		John Risdall Advertising, New Brighton, Minn.	277	NA	18.3	1,512	1,097	John Risdall, president	(612) 633-0445
35	NA	✓	Wybie Advertising, Millville, N.J.	248	NA	21.2	1,169	1,082	Henry E. Wybie, president	(609) 825-9403
36	NA	✓	Ambassador Marketing Group, New York	246	NA	42.6	577	NA	Charles Riegle, president	(201) 930-1400
37	29	✓	Shelly Berman Communications, Westerville, Ohio	225	195	4.9	4,589	3,806	Sheldon M. Berman, president, ceo	(614) 891-7070
38	30	✓	Dudnyk Co., Horsham, Pa.	205	185	5.9	3,480	3,208	Ed Dudnyk, president	(215) 443-9406
39	NA	✓	Pedone & Partners, New York	181	NA	4.6	3,982	2,254	Michael F. Pedone, chmn, ceo	(212) 319-2000
40	NA	✓	Van Brunt & Co., New York	180	NA	3.0	6,087	2,550	Erwin Van Brunt, chmn	(212) 949-1300
41	NA	✓	Kaufman & Maraffi, New York	150	NA	6.5	2,291	1,112	John B. Kaufman, chmn	(212) 867-0870
42	33	✓	Keroff & Rosenberg Advertising, Chicago	150	90	3.2	4,650	2,790	Charles I. Rosenberg, exec vp	(312) 321-9000
43	NA	✓	MARC Advertising, Pittsburgh	150	NA	1.8	8,220	7,400	Louis J. Cardamone, chmn	(412) 562-2000
44	31	✓	Laven, Fuller & Perkins, Chicago	139	115	11.8	1,182	1,172	James P. Perkins, president, cd	(312) 440-1818
45	32	✓	Tri-State Advertising, Warsaw, Ind.	116	105	11.4	1,024	816	William L. Kraichar, president	(219) 267-5178
46	NA	✓	S.R. Knapp Associates, Arlington Heights, Ill.	103	NA	9.4	1,092	878	Stephen R. Knapp, president	(312) 392-0707
47	NA	✓	DK Group, Hillside, N.J.	96	NA	44.3	221	NA	Robert Kiel, president	(201) 355-8100
48	34	✓	DPL Advertising, Battle Creek, Mich.	81	85	9.2	884	673	Perry L. Phillips, president	(616) 979-9191
49	NA		Harris & West Advertising, Minneapolis	77	NA	2.8	2,750	2,500	Rob West, president	(612) 941-8500
50	NA	✓	Abelson-Taylor, Chicago	75	NA	1.3	5,838	4,074	Marvin Abelson, chmn	(312) 781-1700
51	NA		Don Wise & Co., New York	75	NA	11.1	675	625	Don Wise, president	(212) 371-3333
52	36		Emerson Lane Fortuna, Boston	53	46	1.5	3,663	3,288	Richard B. Emerson, president	(617) 720-2424
53	40		Warner, Bicking & Fenwick, New York	47	38	1.2	4,[illegible]	3,544	Andrew Morris, president	(212) 786-7900
54	NA		McCaffery & Ratner, New York	45	NA	1.2	3,649	3,918	Samuel I. Ratner, chmn	(212) 661-8940
55	NA	✓	Hanson & Flynn, Chicago	45	NA	5.3	844	763	William Flynn, president	(312) 944-0080
56	44	✓	Sheldon Fredericks Advertising, New York	42	15	5.0	829	527	Frederick A. Schwartz, president	(212) 867-0110
57	38		Newmark, Posner & Mitchell, New York	41	44	0.8	5,300	5,258	Stacey Posner, president	(212) 867-3000
58	42	✓	Blaisdell & Westlie, St. Paul, Minn.	38	30	1.3	2,925	1,800	Kerry A. Blaisdell, president	(612) 292-1263
59	35		Three Arts, Cedar Rapids, Iowa	36	47	3.5	1,030	725	Thomas J. Wycoff, exec vp, ceo	(319) 365-7572
60	39		Advertising, Boelter & Lincoln, Madison, Wis.	35	36	2.3	1,505	1,529	Robert Boelter, president	(608) 251-3381

Notes: Dollars are in thousands. 1. 1987 ranking based on 1987 revenues provided for this report. 2. Consulting includes strategic planning. 3. Leading service includes the various forms of execution apart from consulting. ✓ indicates that agency received signature of independent account verifying figures supplied AA.
Source: AAsurvey.

Compiled by Kenneth W[illegible]s.
AA chart: Kevin Brown.

Bullish execs look for improvement

Areas include agency-of-record status, earlier involvement, integrated efforts

By Kenneth Wylie

Sales promotion practitioners have a right to be optimistic as their business motors along at a powerful 23.3% growth pace.

But sales promotion agency executives, not about to coast on that growth, see a number of areas that need to be evaluated and improved.

According to responses to ADVERTISING AGE's survey of sales promotion agencies and follow-up phone calls to many agency executives, some key concerns have surfaced. Many of the executives' opinions center around the role of their agencies in the total marketing environment.

There is a push to convince clients of the merits of agency-of-record status rather than being hired on a per-project basis (*see related story on Page S-12*). This was voiced primarily by larger sales promotion shops, although a number of smaller agencies felt they also should work more with clients on a retainer.

As an extension of this, a number of agency executives expressed a desire to be brought into the marketing process early as a basic element along with advertising, not as a last-minute adjunct to a media campaign.

Many executives are pushing further for the development of complete sales promotion campaigns that integrate promotion, consumer and trade advertising and public relations in a single effort. They say this move will come at the expense of traditional media advertising, further fueling the battle between the two disciplines.

Sales promotion shops are stepping on one piece of ad agency turf. They are increasingly preparing broadcast advertising, handling creative and production on campaigns that previously would have been engineered by advertising agencies (*see related story on Page S-11*).

Many of the agency executives also believe the industry needs to focus more on regionalized and localized promotions. Reflecting the 81.6% growth in event promotions—the fastest growing service category—they say more attention is paid to a product if it is identified with a local interest.

Concern also is being voiced that promotions must be more compelling to consumers. Some agency executives point to continuity promotions, such as clubs, as a way to maintain consumer interest in the product and promotion once they have become involved via an initial program.

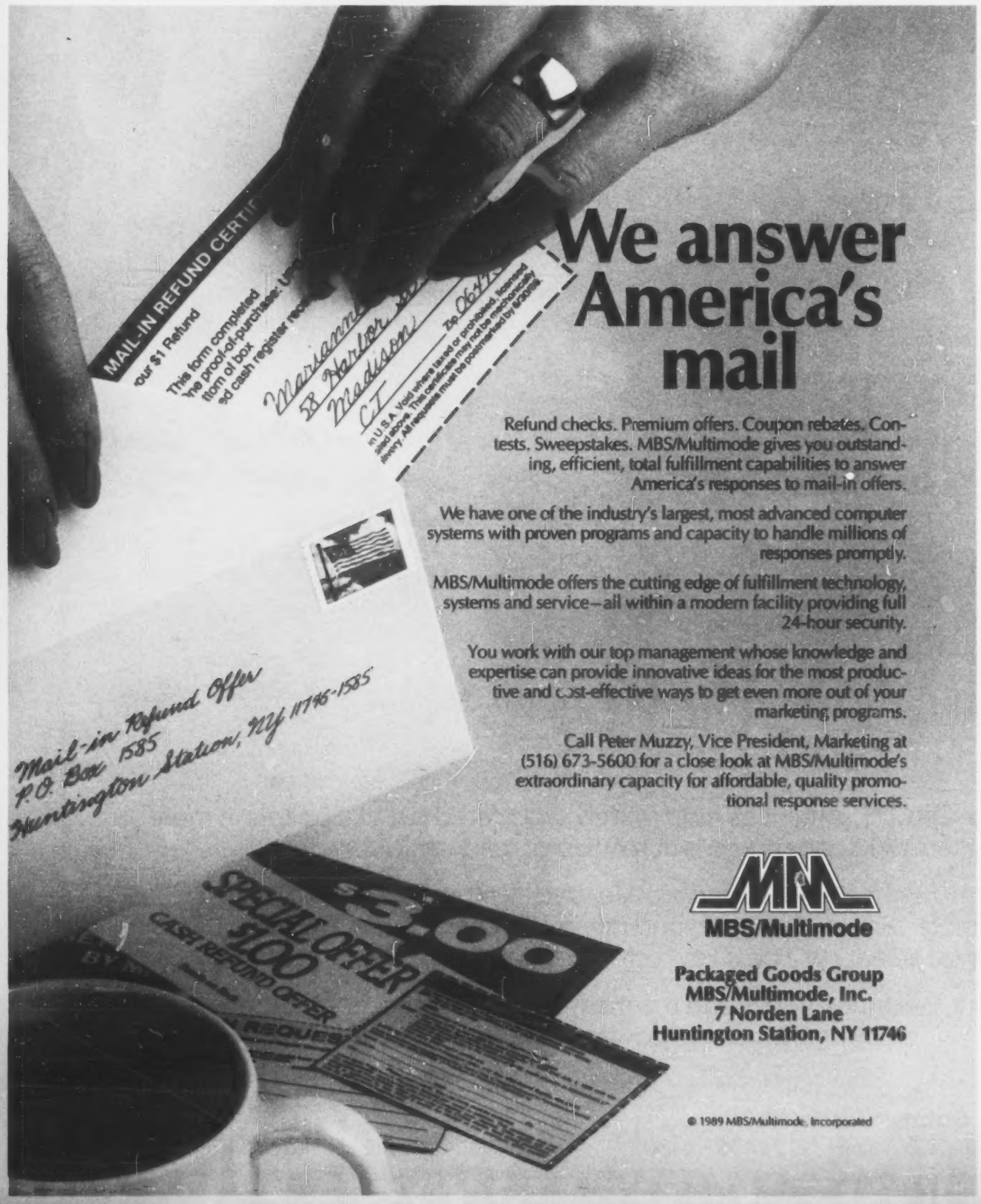
The state of couponing, affected by some decline in redemption and the problem of fraud, also is causing some to seek more targeted promotional vehicles and more secure forms of redemption.

Mergers and buyouts of corporate clients are sending early-warning tremors to some of the respondents, but not enough—at least yet—to suggest any major upheavals in the industry.

One area in which the industry has shown progress is the increasing role of women at executive levels. Eleven of the companies studied had female senior officers.

Debra Campbell is president-chief operating officer of industry-leading American Consulting Corp. Patricia Biggerstaff is president of Aragon Sales Development Services; The Marketing Continuum is led by founder and President Roberta A. Merkel (*see story on Page S-19*); President Patricia Favri heads Underline Inc.; and Shanna Columbus is president of Price-Weber Marketing Communications.

Agencies with women VPs include DD&A, Promotional Campaigns, The Promotion Group (Calif.), Rogers Merchandising, Siebel/Mohr and Smiley Promotion. □



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How Ad Age got its data

Data for the rankings in this issue were provided by agencies responding to an ADVERTISING AGE questionnaire.

Agencies are categorized as either full-service or specialty shops or ad agencies with sales promotion services. These categories are derived from the agency's percentage breakout of its sales promotion services.

Full-service agencies are required to show a large portion of their revenues coming from the strategic stage that involves planning and consulting. These agencies also use a number of forms of execution, such as point-of-purchase, coupons, fulfillment, premiums, incentives, sweepstakes and contests, etc.

Agencies are considered specialized when reported figures show a bias toward a particular form of execution. These agencies also show small revenue percentages generated from the strategic stage.

Most of the advertising agencies listed in the third ranking come from media breakouts gleaned from the Agency Income Report (AA, March 29). Several "sales promotion" shops not appearing in that issue fall into the ad agency list in this issue because of large percentage returns from their ad sequence.

These categories merely are labels to avoid mixing strategic-oriented agencies with fulfillment houses, print shops or advertising agencies. A specialty agency may consider itself full-service because it offers a panoply of services. While that may be true, for the purpose of this issue, AA required the consultative aspect of their business be substantial.

Rankings were based on gross revenues from staff-time fees and from commissions and markups. In some cases, minor streams of income that covered studio use, rental or interest income also were accepted.

Pass-through volumes were not counted. Such revenues generally come from manufacturing and shipping and are passed through the agency to the client.

Some 56% of the agencies in this issue provided independent verification of revenue totals. These are noted by a check mark in the charts.

Agency addition

Henschel-Steinau Marketing Services, an eight-employee agency from Englewood, N.J., reported too late to be included in the tables.

The agency claimed $1.2 million in revenues, which would have made it the No. 18 shop on the specialty sales promotion agency list. Some 60% of its revenues came from production. The numbers were verified by an independent accountant.

Melvin B. Klein is exec VP. Phone: (201) 567-7100.

British invasion settles in for long run

Top execs discuss how their U.K. shops translate systems into hybrid American sales promotion

By Alison Fahey

U.K. sales promotion giants are extending their reach into the U.S to an unprecedented degree. To look at industry differences and outlooks in the two countries, ADVERTISING AGE went to the ceo's of the major players to share insights and opinions about this British invasion.

FKB Group, a leading London-based marketing and sales promotion company, entered the U.S. last year by acquiring four sales-promotion agencies. In January, FKB Group established a U.S. headquarters in Stamford, Conn., and named Duncan Bain president-ceo of newly formed FKB Inc.

Mr. Bain, who remains joint chief executive of parent FKB Group, is responsible for U.S. operations and acquisitions, strategic planning and international business development. Under his leadership, FKB now has 11 offices in the U.S., including four start-ups in the past four months.

Gerry Postlethwaite is group board director of KLP Group PLC, London, which bills itself as the world's "largest response communications" network. KLP Group last year acquired Comart Associates, New York, and in October, 1988, opened its first start-up office in Boston.

As managing director of KLP International, London, and ceo of its U.S. subsidiary, KLP Investments, New York, Mr. Postlethwaite runs all international operations including acquisitions and business development. KLP International has sales promotion and direct-marketing operations in 14 countries.

Doug Goodman

KLP Group PLC's Gerry Postlethwaite (left) and FKB Group's Duncan Bain have varying opinions of the future of sales promotion.

Although Messrs. Bain and Postlethwaite mostly agree on the role of sales promotion, their visions of the future vary.

Mr. Bain envisions the emergence of marketing services groups that combine advertising, sales promotion, design and direct marketing. Mr. Postlethwaite foresees an even greater role for response communications networks, which marry sales promotion and direct marketing within a single agency.

ADVERTISING AGE: *What are the major differences between U.S. and U.K. sales promotion shops?*

Mr. Postlethwaite: U.K. agencies, in the past, have been much better than U.S. promotion agencies.

The biggest reason is because most major British manufacturers did not have sales promotion departments. All major U.S. manufacturers did have sales promotion departments and didn't need sales promotion agencies.

In the U.K a number of sales promotion agencies have been around for quite a long time as full-service sales promotion agencies. In the U.S. [they] haven't been around for that long.

Mr. Bain: The U.K. is three or four years ahead of the U.S. in terms of client relationships.

They had the whole concept of agency-of-record and retainer fees much longer. Certainly a lot of our agencies here now are working on an agency-of-record basis; they weren't five years ago. That allows you to get more involved with the client's marketing problems.

The business is more advanced I think in terms of marketing knowledge. Part of the reason that's changing here, I hope, is that our influence is coming on and we've exported some of our cultures to the agencies here. But that's a relatively small factor.

A lot of big corporations now are worried about headcounts and are getting rid of people and starting to use outside agencies more—and use them as a marketing partner rather than just a sweatshop to provide ideas.

AA: *We've been hearing a lot about how sales promotion and advertising will become more integrated. Could you describe the future relationship of the two disciplines?*

Mr. Bain: I think in ten years the whole world will polarize into marketing services groups. Marketing services groups will own advertising agencies that will own sales promotion agencies and direct-marketing agencies.

Most of the marketing services groups will be owned by the people at advertising agencies today because they're the biggest and they've got [long-term] client relationships.

For too long advertising agencies have only thought of selling advertising solutions to marketing problems. Clients want marketing solutions to marketing problems. It [often] will be an advertising solution just because of the size of the budget.

But I hope the growth of the other marketing services will be able to offer a total marketing-services package to clients both globally and locally.

Mr. Postlethwaite: I have a suspicion that he's right. But I believe there is a key role in the future for a response communications agency that combines the skills of sales promotion with the discipline of direct marketing—both contained within a single agency.

At the core of this whole thing is data base. What the agency needs to have is a deep understanding of direct marketing and how to elicit response and a deep understanding of data-base management.

If you want to bond a customer to you, you can't do it through advertising, which is still a monologue. You have to build a dialogue.

AA: *FKB and KLP have expanded rapidly in the U.S. Do you plan further expansion and, if so, will it be through acquisitions?*

Mr. Postlethwaite: Mostly through acquistions, although we still regard start-ups as something to consider in various markets.

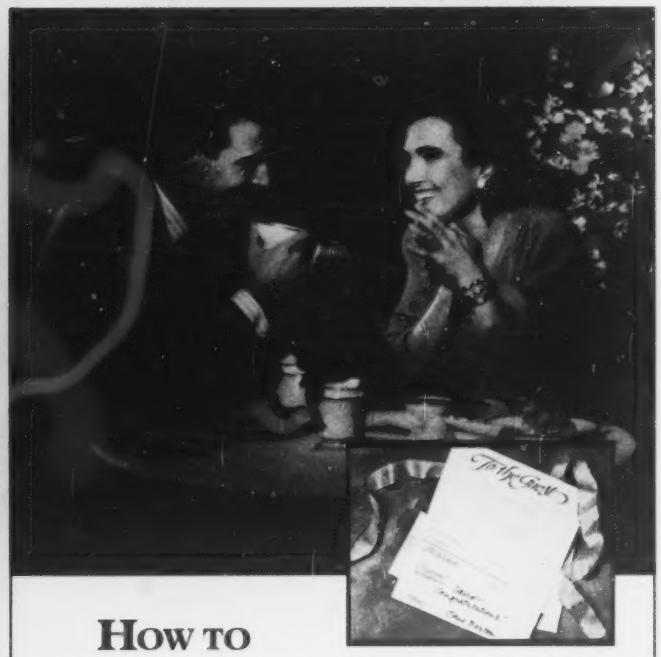
I think we're interested in sales promotion, direct marketing and probably telemarketing. We're interested in the whole area of response communications.

Mr. Bain: We have a substantial amount of growth ahead of us.

Sales promotion and marketing consultancy will be our core business and always have been.

We've identified that we need to get into various niche markets in sales promotion. What we don't want to do is develop identical sales promotion agencies through-

(Continued on Page S-10)



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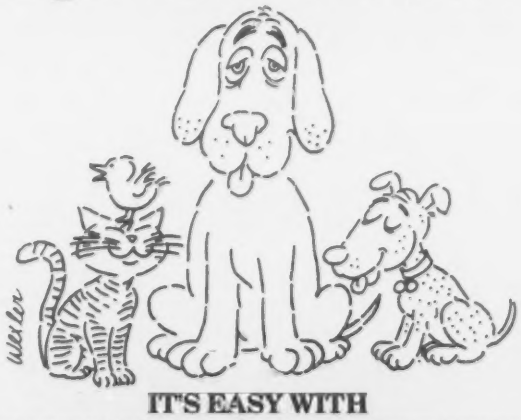

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U.K. shops

(Continued from Page S-8)

out the States.

We have some geographical filling in to do. We're not yet represented in areas such as Chicago and Toronto. What we're looking at now, as well as the geographical situation, is to find marketing and sales promotion agencies with specialty skills. For example, someone specializing in pharmaceutical marketing. We could have good cross-referral business between our other agencies because they don't compete in each market.

We also want to be a top 10 company in direct marketing. We're going to develop design consultancy. We've started in the U.K., but we haven't done anything in the U.S.

AA: *What effect, if any, will the unification of the European markets in 1992 have on U.S. sales promotion agencies?*

Mr. Postlethwaite: There are no implications for sales-promotion agencies in the U.S. unless they're part of an international sales promotion or advertising agency group. Whether you buy the companies or whether you merely form a business association with them, you must have a network of companies in Western Europe.

Mr. Bain: For American agencies to benefit from 1992 they're going to have to have a parent company or own companies in Europe to know the marketplaces. We've got to have a knowledge and a good quality presence in all the major markets.

AA: *From what industries or categories are your agencies seeing significant revenue growth?*

Mr. Bain: Ten years ago it was mainly package goods, then the beer and tobacco companies came in about seven or eight years ago with a lot of money mainly because of the fright of the advertising bans. That has somewhat tapered off now.

When we started about seven years ago we probably had 85% package-goods clients. That is down to about 35% now.

The trend is for much greater growth in other areas such as financial services—banking, insurance. It's service industries that are the biggest growth for us now.

Mr. Postlethwaite: I think service industries in general are increasing in terms of their communication but they're going to have to be more tailored. But the financial services are going to be the biggest sector for some time to come.

Doug Goodman

"There is a dearth of really good creative talent in sales promotion agencies."
KLP's Gerry Postlethwaite

"A lot of big corporations now are worried about headcounts and starting to use outside agencies."
FKB's Duncan Bain

AA: *Sales promotion agencies are often criticized as lacking good creative skill. Is the criticism warranted?*

Mr. Postlethwaite: It is a problem and I don't think we should deny it. There is a dearth of really good creative talent in sales promotion agencies. It's true in the U.K., and it's true here. It's very hard to find and keep good creative people.

AA: *Why?*

Mr. Postlethwaite: I think it has been, in part, because sales promotion has not had a high enough profile within the colleges where the creative process is developed. It has certainly been true in the U.K. It has probably been true here until very recently.

And, therefore, every good creative person that's come out of a creative background has really focused on advertising. That's the respectful place to be, that's where the excitement is.

Mr. Bain: In defense of sales promotion though, it's very difficult to compare a leaflet or a page insert with a 30-second TV commercial in terms of budget and in terms of what you can do.

AA: *Some promotion executives say it is difficult to keep staff levels up to the growth of their agencies. Is it a problem to attract and train young people?*

Mr. Bain: It probably is.

We as an agency in the U.K. and over here don't do any [formal] training. We tend also not to recruit people who've worked in sales promotion from other agencies.

We've got such a size of company that we take all of our people from the bottom level. I think we find on-the-job training a lot more successful.

I don't think it works taking people from the top of a client company because you can get a marketing director who knows a lot about marketing, but he can't really put sales promotion together unless he has had specific experience.

Mr. Postlethwaite: The representative body in the U.K. hasn't invested a nickel in formal training. The U.S. is far ahead in that.

AA: *Are your agencies creating more media advertising now than in the past, and are you interested in getting more involved in that?*

Mr. Bain: It's not our objective to do media [buying]. We're not deliberately getting into that.

I don't think we're doing more [ad support] than in the past. In the U.K., for one of our biggest clients [Heineken], we develop four major promotional programs each year. We always create the advertising but we never place the media for two reasons: We understand the creativity of sales promotion better than the advertising agency, and [top] creative people can't be bothered with doing creative sales promotion advertising.

Mr. Postlethwaite: I agree with Duncan entirely.

You don't have to do the media [buying]. There's no doubt the media buying clout of the advertising agency is far greater and they can do a better job at that.

AA: *What implications does the shift of power from manufacturer to retailer have for sales promotion efforts?*

Mr. Postlethwaite: We do retail partnership programs where you take a number of brands and create a program specifically for one retail trade, and I think brands are going to be forced to continue that.

The manufacturers' biggest problem is that their brands are becoming immersed under the retailer's brand.

If it goes on like this, it won't but, the brands won't be advertising themselves for consumers anymore, they'll be promoting themselves for the trade. I don't think it will get that far because the brands will fight back.

Mr. Bain: My hope is what has happened in the U.K. will happen here. In the U.K. the manufacturers have lost control, they've gone along with the new power of the retailer, and I think it's better for marketing because we got out of this horrible couponing and price discounting all of the time.

What's started to happen in the U.K. is the second phase, as [some big] retailers not only have more than 50% of their sales in their own branded products but what they've done is create a brand for that store that is synomomous with good value and quality.

I think if you get to that stage you can then go to the manufacturers and say, "Let's stop all this tailor-made activity and start doing umbrella promotions."

AA: *How will that affect the consumer?*

Mr. Postlethwaite: Ten years from now consumers are going to be king; they'll be calling the shots. And the manufacturers and the retailers will be consumer-led.

Mr. Bain: One of the things that's going to happen here in the mid-1990s is fiber optics and you're going to have video, voice and data [capabilities] in your home. You're going to be able to do your grocery shopping, certainly you can do your banking.

The retail scene, not just package goods and banking but other things, will change dramatically. More creative, added-value sales promotion and technology of fiber optics will work together.

And the consumers will become more powerful. They are going to consider less choices and I think that will probably be the end to some extent of the couponing and the constant 2¢ and 3¢ off. □

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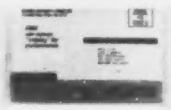

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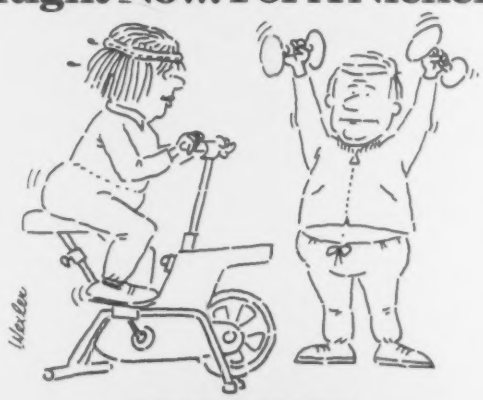

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Shops increasingly crossing the line

As they handle more advertising-oriented material, sales promotion shops head to another confrontation with agencies

By Alison Fahey

A new chapter is unfolding in the battle between advertising agencies and sales promotion shops for marketers' advertising dollars.

As the two disciplines vie for total marketing dollars, sales promotion agencies have been picking up a bigger piece of the advertising agencies' pie.

Many promotion shops say they are creating twice as many free standing inserts, newspaper run-of-press and magazine ads as they did five years ago.

"Promotion agencies have a lot more credibility and intellectual talent than they had five years ago, and clients are recognizing us as a much more dependable resource—even for advertising support," says Joseph Flanagan, president of IMPACT, Chicago.

Although most sales promotion agencies do not create TV advertising, increasingly there are more exceptions to that rule.

For example, IMPACT not only develops promotional concepts but executes supporting creative work "whether it be radio, point-of-sale or TV," says Mr. Flanagan.

Among IMPACT's most notable creative efforts is last year's TV campaign for Wendy's International's promotional tie-in with Lucas Film's "Willow." Backer Spielvogel Bates Worldwide, New York, is Wendy's agency.

A Foote, Cone & Belding subsidiary, IMPACT has created ad support for 20 out of 25 promotions during the last 12 months. Five years ago, the ratio was three out of 25, says Mr. Flanagan. Some marketers cite ad agencies' poor understanding of promotion advertising as the reason why they have turned to promotion agencies for ad support.

"We've been doing that for a few years now due to a belief that promotion agencies have a greater sensitivity to present promotional advertising," says Bruce Wilson, Eastman Kodak Co.'s director of marketing communications, consumer products division, USA/Canada. "When we had gone to our ad agency for promotional advertising, we got brand advertising."

Kodak recently bypassed its film agency J. Walter Thompson USA, and Young & Rubicam, which handles Kodak camera advertising, both New York, and opted for Y&R's promotion agency Cato Johnson, New York, to create a TV spot for a multi-product gift-with-purchase promotion.

Cato's animated 30-second spot, which showed Kodak's trademarked Kolorkin plush toys romping on several Kodak products, aired during ABC-TV's "Academy Awards" telecast in March. JWT, Kodak's agency for broadcast placement, handled the Kolorkin TV buy. Cato's creative effort was a big hit with Kodak.

"We were pleased with the job Cato did, we loved the commercial," Mr. Wilson says. "Would we consider using them again? Absolutely."

Promotion agencies have created ad support for such marketers as Coca-Cola USA, Georgia-Pacific Corp., Johnson & Johnson, Polaroid Corp., Reebok International and Scott Paper Co.

Some marketers say their promo-

(Continued on Page S-1

PROMOTION PROS' PICKS

Didday down on rebate redux

By Lenore Skenazy

Think back. Fuuuurther. Don't flinch. Okay . . . *Ouch!*

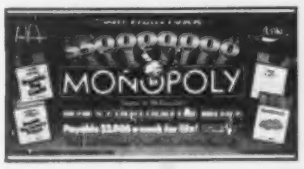
Congratulations. You have just completed an exercise in sales promotion recall.

We asked the bigwigs at several sales promotion companies to recollect *the worst promotion they'd ever heard of.* To make the task a little less painful, we asked them to tell us about the *best* one, too.

Their replies are scattered throughout this Special Report.

Kerry Didday, president, Daymark Inc., Cincinnati.

"The worst sales promotion is a straight discount program that doesn't enhance the product's image. I would have to say that's what automotive manufacturers are doing with their rebates. Now people won't buy a car unless



there's a rebate and [the manufacturers] are in trouble.

"The best? McDonald's 'Monopoly' promotion. It was directed right to their market—younger adults and kids. And it's a continuity program which builds repeat business. It's exciting and creative, and it takes creativity to break through." □

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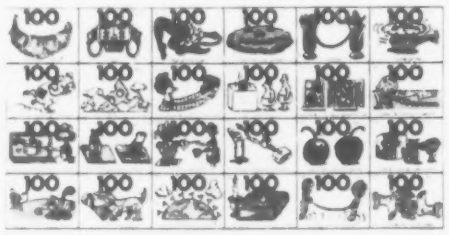
PROMOTION PROS' PICKS

Amrein: Bingo boondoggle

James Amrein, president, Amrein Marketing Associates, Wilton, Conn.

"The worst promotion was Coca-Cola's 'Big Name Bingo' back around 1968. Because of some duplicity in the rules, 80,000 people who [each] felt they were owed $100 ended up being represented by Melvin Belli.



"For 10 possible questions there were 11 possible correct answers and it's not difficult to imagine how 80,000 people said, 'Hey, you're cheating me!'

"Finally the FTC stepped in and Coke got a cease-and-desist order. I honestly don't know how they ended up.

"The best? For its time and place, I'd say the Benson & Hedges 100 sweepstakes.

"When they came out with the 100mm cigarette they undertook a massive print campaign with 100 sweepstakes prizes portrayed in the ad.

"The entrant could choose to win 100 hotdogs or 100 shoelaces—or some big prizes, too, very engaging—all of them portrayed in square-inch blocks.

"You had a small chance to win a big prize or a big chance to win a smaller prize. That was really creative."

—*Lenore Skenazy*

Agencies break mold, but old ways die hard

'When this business was starting, an advertiser paid a mark-up on materials or cost, but that's not this business any more'

By Scott Hume

Formerly a rough profession providing marketers primarily with displays, sales promotion has become a modern marketing discipline that seeks to sell its expertise, strategic thinking and research as well as a range of programs.

The problem it still faces is that the promotion business has made that transformation faster than some advertisers have been able to recognize the depth of the changes.

As a result, one of the hottest topics in this growing field is one of the oldest questions: How does an advertiser pay for sales promotion: Buy the promotion or hire a sales promotion agency of record?

Traditionally, manufacturers bought the product. The promotion agency came in only long enough to complete a project and leave.

When the manufacturer decided on the next project, the marketing director opened the door to presentations—often involving speculative creative—from a group of agencies.

Most agencies have been working to change that tradition. Some advertisers have encouraged it, others have resisted.

"When this business was starting, compensation was simple: [an advertiser] paid an X% mark-up on finished materials or a straight mark-up on the cost of the job," says Allyn Miller, president of Flair Communications, No. 12 in full service agencies. "But that's not this business any more" and hasn't been for some time, he says.

The major promotion agencies say they no longer do speculative creative to land project assignments. The bylaws of the Council of Sales Promotion Agencies specifically proscribes the practice.

Agencies want more than project assignments. Like advertising agencies, they want long-term relationships and compensation tied to the hours needed to create a promotion rather than a markup on materials produced.

Many advertisers—especially the largest—have agreed to restructure their relationships, establishing agency-of-record or retainer compensation systems. That is changing the financial makeup of the top agencies.

For example, Vincent Sottosanti, president of Comart, the 10th largest full service sales promotion agency, says the majority of his agency's clients operate on a per-project basis. However, the half-dozen or so clients Comart works with on a retainer basis now account for two-thirds of its billings volume.

Norman August, president of August, Bishop & Meier, the No. 43 full-service sales promotion shop,

Crossing line

(Continued from Page S-11)

tions and ad support achieve inimitable synergy when all elements are handled by the promotion agency.

"When, in fact, we support our promotions with advertising, it makes sense to have the promotion agency handle it. We want the advertising to have the same look as the POP material," says Julia Brilliant, Reebok's director of retail promotion and merchandising.

Some ad agencies agree. Promotion agencies are more qualified to create ad support when the campaign's main objective is to "deliver a sales punch," says Mitch Kurz, Y&R's director-integrated marketing.

"People more skilled at using creative to make sales transactions tend to be housed in [promotion agencies]," he says. Expecting more clients to realize this, Y&R has moved a top ad agency-side creative executive to Cato, Mr. Kurz says.

Marketers complain their promotion advertising takes a back seat at the major ad agencies. Because of smaller budgets, assignments often are given to junior staffers, insiders say.

"They've got bigger fish to fry," says Ms. Brilliant. "National image advertising is more of a priority for the ad agencies."

"A lot of agencies deserve that criticism, including us as recently as five years ago," Mr. Kurz says. "By and large, all the general agencies could not have looked that statement straight in the eye and defended it."

While conceding they are not yet prepared to handle broadcast creative and media buying, especially TV, several sales promotion agencies are gearing up to do just that.

A major part of the mix entails beefing up creative departments with top talent.

"Our plan in five years is to be a fully integrated company offering TV creative and placement," says Jim Mack, exec VP-client services, Frankel & Co., the nation's largest independent sales promotion agency.

"We are not now in a position to deal with the big boys in the media," Mr. Mack says. The Chicago-based agency currently creates TV advertising for only 5% of its clients.

Several promotion marketing executives echoed Mr. Mack's desire to get more media advertising business.

Others, however, believe expanding into media advertising could hurt the promotion agency's primary marketing role.

"My belief is that we should do what we do best and that's in-store marketing," says Michael Wahl, chairman, Howard Marlboro, New York. Entering the media-buying ring would spark unnecessary competition between promotion and advertising agencies, he says.

Many sales promotion executives admit their agencies could not compete with ad agencies' media buying clout or their established relationships with the media, especially the Big 3 networks.

Some sales promotion executives say they wouldn't handle TV creative simply because the ad agencies can do it better.

"I have no desire to get into broadcast advertising and promotion until I'm convinced that we can do a superior job than the ad agency and we are not nearly there yet," says Jeff McElnea, president of WPP-owned Einson Freeman.

The shop can tap the creative resources of its WPP sister agency J. Walter Thompson Co., Mr. McElnea says. "It's not necessary for us to do it with our own hands as long as we can help direct the process and have some authority over the outcome."

Most industry observers acknowledge the trend but say it will have little financial impact on ad agencies for two reasons: The typi-

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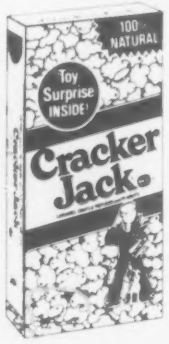

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says 80% of his clients are fee-based. Still, he doesn't shy away from taking projects.

"We would prefer to work on a retainer basis so we can build a staff to service an account instead of just coming in and out," he says. "But project work is not dead and will never die. You'll always have clients with two promotions a year who can't afford a retainer relationship, so you work with them on a project."

Some insiders see the promotion industry's dream of escaping the tradition of per-project relationships and compensation at hand.

"I think there's been an absolute change over the past two years," says Mr. Miller. "In part that's because they're rethinking their relationships with advertising agencies, but also because of the amount of money being spent on promotions. They're looking for more formalized relationships.

"It's not business as usual any longer. It's open to discussion," he says.

But the leverage remains with the clients, and many are hesitant about totally abandoning per-project compensation.

"There's a basic difference between promotions and advertising that shouldn't get obscured in all this [talk about about moving away from per-project compensation]," says Chris Sutherland, executive director of the Promotional Marketing Association of America, an organization representing product marketers as well as promotion agencies. "Promotions define themselves, advertising doesn't.

"You embark on a promotion with certain targets, whether you're looking for ticks up in market share or a 5% boost in sales or whatever. That's a much more objective process than brand-building [through media advertising]," he says.

"We're starting to hear clients propose incentive compensation packages."

Jeff McElnea
Einson Freeman

Additionally, Mr. Sutherland sees differences in promotion and advertising agencies themselves that affect how advertisers can use them.

"A good full-service advertising agency can produce anything you need. Promotion has so many definitions that it is hard to have a similar full-service promotion agency," he says. "There are too many different kinds of applications to put under one shop."

As a result, he said many advertisers view the promotion field as peopled by specialists in different tactics, and many advertisers want to match the right specialist for the project at hand.

The nature of the financial relationships between advertisers and promotion agencies is destined to change, he said, but not immediately and probably not completely.

"Will the number of retainer-based relationships increase? Yes, almost certainly. There's a place for that relationship," Mr. Sutherland says. "But not to the level with advertising agencies."

Concerning bonus incentives, Mr. Sutherland suggests they are built into the project relationship: "The reward is the next project."

The top agencies want a more substantial carrot at the end of the stick. And larger clients appear willing to consider performance bonuses.

"We're seeing more interest in agency-of-record relationships, which is what we've been hoping to see," says Jeff McElnea, president of Einson Freeman, the No. 7 full-service promotion agency. "Even in the package-goods field, which traditionally resisted moving beyond project [compensation, agency-of-

(Continued on Page S-14)

cal promotion ad budget is tiny compared with the traditional ad budget; and sales promotion agencies, at large, will never handle lucrative TV buys.

One source suggests the trend has created more of an emotional than a financial battle between sales promotion shops and ad agencies that have witnessed media dollars shifting to promotional spending. "Sales promotion agencies don't pose a financial or creative threat to ad agencies. But this is happening and I suspect it's like rubbing salt in a wound," says one source who asked not to be identified.

Ad agencies reacting to the bigger trend of marketers shifting dollars to sales promotion from advertising have been jumping on the bandwagon by acquiring sales promotion shops. But the frantic pace of acquisitions has created a situation where there is not much left to acquire, says Gerry Postlethwaite, managing director, KLP International, London, which has sales promotion and direct-marketing operations in 14 countries.

The next option is to develop in-house capabilities. For example, Ogilvy & Mather recently announced plans to educate senior managers in all marketing communication functions, including sales promotion, direct marketing and public relations.

Many sales promotion executives criticize these efforts, saying that veteran ad executives, often placed in charge of these multi-functional departments, are "culturally different" from promotion executives.

"The theory of the 'single super executive' is great and could lead to the demise of the sales promotion agency. However, I don't see any such account director emerging for some time," Mr. Postlethwaite says.

A late start on training is not the only hurdle ad agencies must overcome. They could face an even tougher time pitching promotion to clients, a discipline once maligned by the ad industry.

"The question must arise in marketers' minds how sincere these ad agencies are after they've told them for so long that sales promotion hurts their brand image, is a waste of money, etc.," says one source. "Now they're going to go to them and saying, 'Hey, we're ready to do it all for you now?' " □

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Talent falls short of demand

'There are maybe 20 qualified candidates, and 600 companies want them'

By Laurie Freeman

There is trouble confronting the $125 billion sales promotion industry.

Help Wanted: Experienced, quick-learning, risk-loving, entrepreneurial individual, preferably with M.B.A. and account or brand management background, to develop and sell sales promotion opportunities. If you have these qualifications, the sales promotion industry needs and wants you.

However, candidates with these qualifications are not readily available, and industry insiders disagree on where to find and how to educate new talent.

"The demand for talent is heavy, but what companies are asking for in a sales promotion executive is hard to find," says Lee Walther Kordus, VP-executive recruiter, MarketSearch, an executive search company.

"There are maybe 20 qualified candidates, and 600 companies want them," says Steven Gundersen, managing partner, Gundersen Partners, another executive search company. "There's a lot of interest, but many people don't have the skills to go into sales promotion."

After years of being treated as a sleazy stepsister to the advertising industry, promotion executives are gratified to find their skills in growing demand.

The pleasure of this new demand is mixed with pain. And part of the problem, industry executives say, is that the nation's business schools have been reluctant to add sales promotion courses to the marketing curriculum.

"The business schools cover sales promotion as part of the advertising curriculum," says Robert Sandelman, president, Robert Brian Associates.

"But six pages in a textbook talking about a Thom McAn shoe promotion doesn't qualify as an education about what sales promotion is all about," he says.

Another problem is sales promotion as an industry encompasses a number of different areas, everything from special events to point-of-purchase displays.

Industry executives define the field simply as the "exposure of the client's message in an environment that is 100% owned by the client." That contrasts with advertising, where the client "rents" the space.

Sales promotion agencies have long relied on "cross-overs"—agency and client company executives who jump to the field. But the transition is difficult, even for cross-over executives boasting years of advertising and marketing experience, because of the "own" vs. "rent" concept.

L. Kordus

L. McAlister

Yet another problem is the industry's complex and fragmented nature. Operating a fast-food chain game like McDonald's "Scrabble" requires different skills and expertise than staging an outdoor concert event, industry executives say.

To be considered a well-rounded sales promotion executive, "you have to move around a lot," says Melvin Klein, exec VP, H.S. Marketing Services, the sales promotion arm of Henschel-Steinau. "This is the only industry left, I think, that doesn't frown upon frequent job changes."

It also is an industry that requires risk-taking, a willingness to try something new and sometimes standing up to a client and explaining why a promotion may not work.

"Kids today only want to be safe," says Mr. Klein. "And this business is all about taking chances, it's about going to a client and not being afraid to put your head on a chopping block to fight for a new idea."

But even entrepreneurship can be found more readily in course listings at the nation's business schools than can sales promotion.

Leigh McAlister, associate professor of marketing, has taught a sales promotion course for three years at the University of Texas. The course, "Managing Consumer and Trade Promotions," mixes "real world" speakers with Harvard Business School case studies and an introduction to how to use Universal Product Code scanning data.

"The advent of scanning data has really provided a powerful visual to demonstrate the power of promotions," says Ms. McAlister. "It's finally sinking in that promotions [comprise] two-thirds of companies' budgets."

Southern Methodist University will introduce a sales promotion course this summer. "Today's M.B.A. students need more than a simplistic view of advertising and marketing," says Richard Houser, the instructor and marketing consultant with Partners Southwest. "They have to understand how sales promotion fits in the marketing mix."

Many instructors find it difficult to convince sales promotion agencies to take a chance on a fresh-faced youngster.

While some agencies and client companies are beginning to ask for personnel with M.B.A.s, many opt for experienced personnel. The amount of experience requested ranges generally from five to eight years in either advertising or marketing, says Ms. Kordus.

"It's very rare to take someone straight out of college," she says. "Companies are looking for quick learners . . . who are already up-to-speed in knowing how to plan strategy and service accounts."

Some large sales promotion agencies, such as Howard Marlboro Group, offer training programs. The agency's seven-year-old program gives trainees hands-on experience in every kind of sales promotion technique, says Michael Wahl, president, Howard Marlboro Group.

But many industry executives see the best hope for the industry in educational programs. If business schools refuse to take a leading role in teaching sales promotion, then the industry has to do it, says Mr. Sandelman. □

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Old ways

(Continued from Page S-13)

record] relationships are beginning."

He disagrees with Mr. Sutherland's contention that full-service promotion agencies do not exist. The top agencies have specialists in each discipline, he says. Clients looking for new ideas needn't reopen the bidding for each new project.

"To the naysayers [on retainer or agency-of-record relationships], we say that if you're dealing with an agency large enough, you can tumble your creative groups and get fresh ideas," says Mr. McElnea. "I think the clients that have adopted agency-of-record relationships are the ones who are convincing the non-believers more than we are."

Helping to increase the acceptance of agency-of-record relationships is the downsizing or elimination of many manufacturers' in-house promotion capabilities as a cost-cutting move. Accustomed to having promotion capabilities on-hand, these companies are more likely to seek long-term relationships.

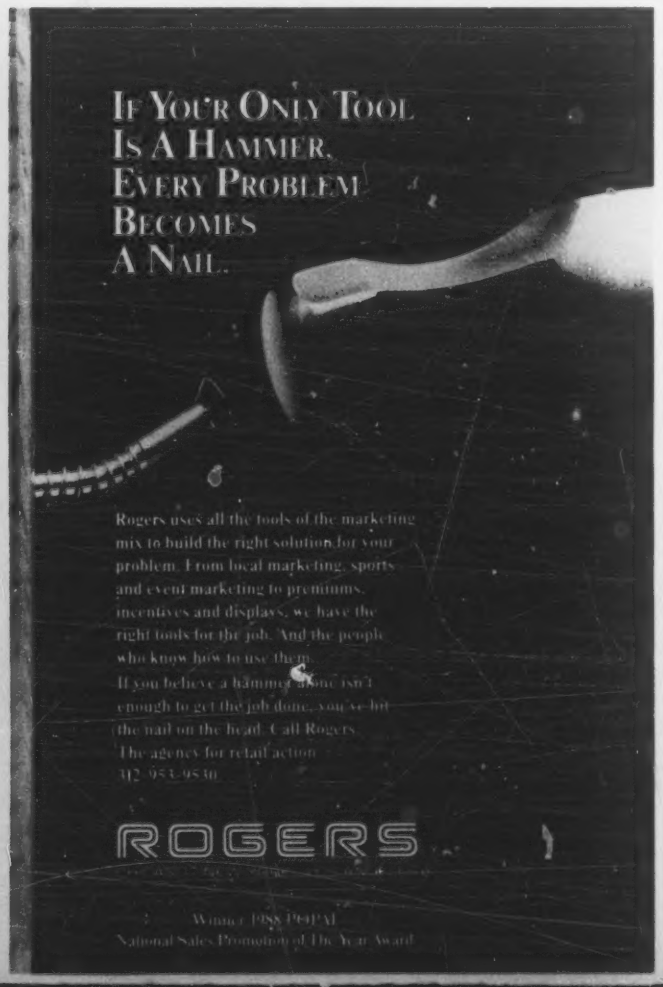
Many of those in-house promotion departments worked under bonus arrangements. As the departments are replaced by outside agencies, fee-plus-bonus relationships are being considered.

"We're starting to hear clients propose incentive compensation packages," says Mr. McElnea, "And we're interested in testing them.

"The idea is a long way from proven out," he says. "There are so many variables, beyond our control" that determine a program's success. A bonus system has the potential to be unfair to one side or another, he says.

Alan Maites, exec VP of William A. Robinson Inc., the 25th largest full-service promotion shop, also is looking at performance bonuses.

"We have not yet been asked by clients [to work under such an agreement], but we're intrigued by



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Getting in on the ground floor

Nostalgia craze plays into Klein's hands as exec turns career into hobby with 500-item promotion collection

By Ronnie Telzer

The years spent working in his father's stationery, cigar and candy stores in Brooklyn provided the perfect training for Melvin Klein's career in sales promotion.

"While other kids spent time riding bicycles," says the VP of Henschel-Steinau Marketing Services, "I watched salespeople from beverage and cigarette companies come to our stores offering an unbelievable assortment of premium and promotional merchandise from placemats to jackets."

Watching them make their product pitches, "I soon learned how to play one manufacturer against another to obtain the best things that each had to offer."

After earning a bachelor of business administration from the City College of New York and an M.B.A. in marketing from New York University, Mr. Klein joined Minute Maid Corp., where he worked on the national introduction of the Minute Maid Frozen Orange Juice Bar.

Later, he traveled the country selling promotional games to supermarkets for Henry Reichman Co. During his travels, he often took time out to visit local general stores, flea markets and antique shops. "In some stores," Mr. Klein says, "I'd admire an old piece on the wall, and the owner would give it to me for free, saying, 'It's worthless junk. I don't even want it.' "

Today, times have changed. Nostalgia is in, and people place great value on authentic items from the past. "Everything is cyclical. Just as fashion is influenced by the past, promotion people are returning to the ideas which worked so well in the past because they were executed with class and dignity."

The barber pole, shown here with Melvin Klein, was one of the earliest point-of-purchase displays used in the U.S. This barber pole, placed near Mr. Klein's authentic barber chair, is a 40-to-50-year-old symbol of good grooming services. The original poles, and many imitations, continue in use in barbershops across the nation.

The surging interest in promotional memorabilia also has spawned a new generation of collectors.

Prices have gone up tenfold. Bargains are more difficult to come by.

"I think it's important for everyone to collect something. For me, my

(Continued on Page S-16)

Ronnie Telzer is a New York-based free-lance writer.

it and are considering it," he says. "We may be willing to take more risk for more reward."

The real dividing line on the compensation issue may be between the larger agencies and marketers and the smaller ones, not between all promotion agencies and advertisers.

While the major agencies and the top marketers consider new compensation arrangements, per-project arrangements will make more sense for smaller marketers with smaller budgets. And smaller promotion agencies will do whatever they must to get the job.

"Spending [on promotions] is rising and the amount of press this industry gets is greater, so you also get more upstarts knocking on doors, bringing ideas to clients," says Mr. Maites. "As that happens, clients start to think they can get spec from the big guys, too.

"We got a stock letter the other day from a company asking for spec creative. A form letter." Robinson is not interested, he says.

"Among the major agencies there is a high level of resolve to hold the line on spec creative," says Mr. McElnea. "We believe [marketers] should work with proven agencies.

"There will always be new agencies who have nothing to lose by giving in to that. That's how they acquire a business base.

"But clients should think it through. They don't seem to realize that current clients are funding that agency's spec project," he says.

Mr. Sutherland counters that spec work has a place in the industry. "There always should be room for spec creative because it's one way for the little agency to compete with the big agency," he says. □

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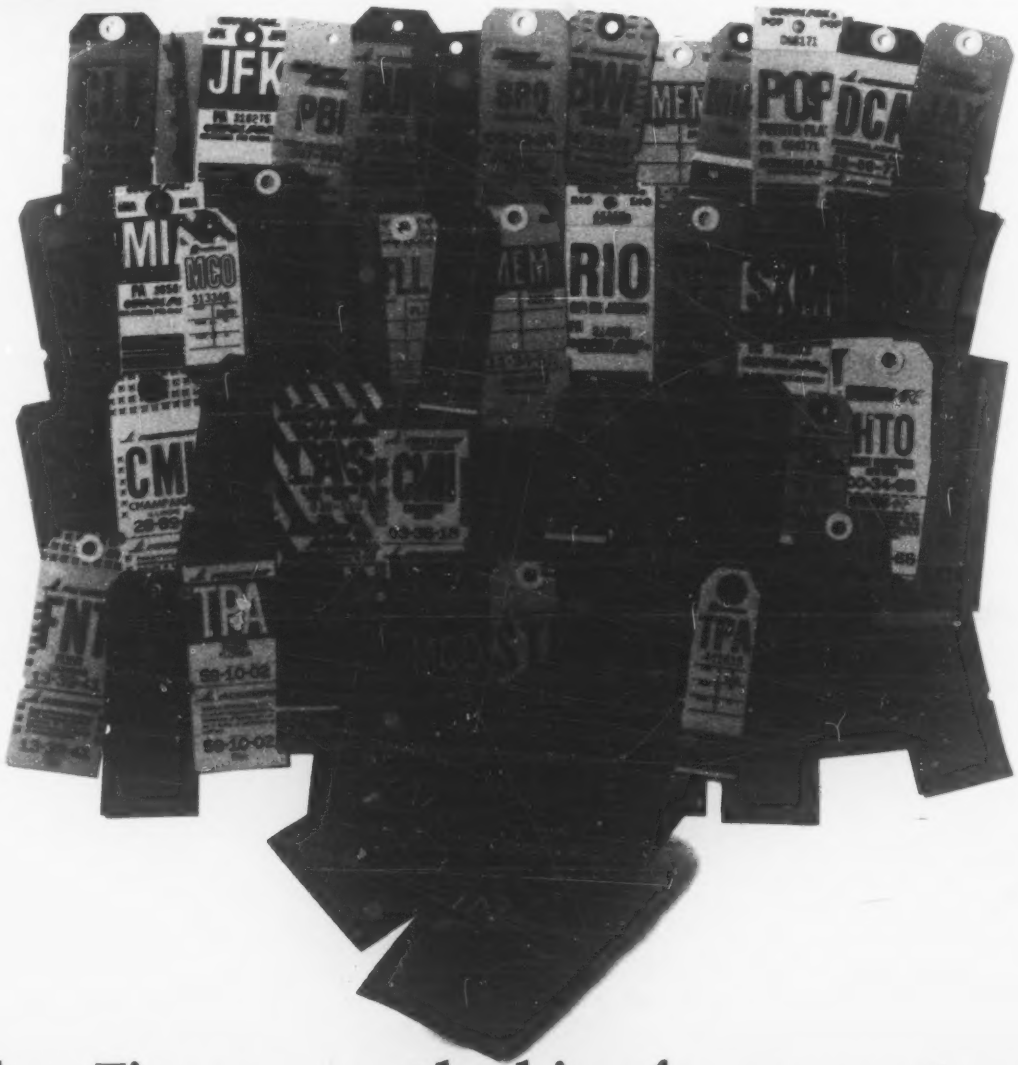

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PROMOTION PROS' PICKS

Herb a whopper of a flop

Bill Davidson, president-ceo, Davidson Marketing, Chicago.

"There are a lot of mediocre promotions, but the worst I ever saw was Herb the Nerd for Burger King. It was most insulting to the consumer and it did nothing for the product.

"Someone told me about another promotion that was kind of funny, but probably in the worst taste I ever heard of. It was during the [John] DeLorean trial, and apparently a car dealer was offering a free case of Coke with every car.

"One of the best promotions I ever saw was in Spring 1986, when tourism was suffering from international terrorism, and British Airways offered an opportunity to win free trips to Europe on the Concorde.

"It [Go For It, America!] was well-conceived and beautifully executed."

—Lenore Skenazy

Nostalgia

(Continued from Page S-15)

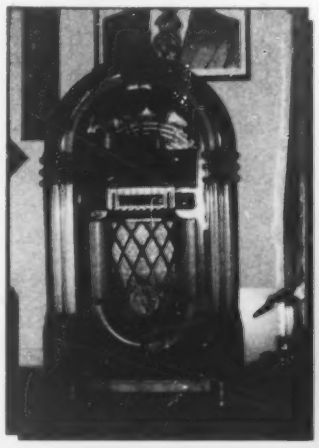
collection brings back memories of a simpler, safer time—when I was growing up without worrying about the demands of everyday life," he says.

The accompanying photographs are a few highlights from Mr. Klein's promotion collection that numbers more than 500 items. The memorabilia is displayed at Mr. Klein's Manhattan apartment and at the offices of Henschel-Steinau Marketing Services, a division of Henschel-Steinau Inc., a point-of-purchase producer/supplier. □

Photos of the promotion collection by Hafeez Shaikh.

Wurlitzer

More than 25 years ago, Melvin Klein purchased a broken Wurlitzer Model 1015 jukebox with bubble lights from a defunct dime-a-dance hall in Atlantic City. The 50-year-old relic has been restored to full working condition.



The Wurlitzer jukebox was offered free of charge to restaurants and other eating/drinking establishments. Customers paid 25¢ for three selections, and records could be changed to accommodate the latest hits. The machine and 50 records cost $450 just 25 years ago and now is worth $7,500.

Coca-Cola

The Drink Coca-Cola Radio dealer loader was given to soda fountains and drugstores for use as a behind-the-counter display. "The idea was to bring product identification into the store to promote product availability," says Mr. Klein. Although the unit dates back to 1949, it is actually a composite made of elements pieced together from several different Coca-Cola antique radios by an antique radio repair specialist. The radio was valued at $125 in 1974, and since has increased two to three times in value.

Palmolive

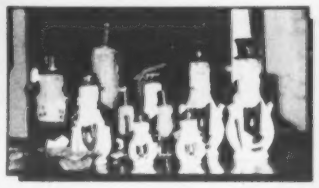
Palmolive Soap Co. used this colorful "Wash Up" poster premium to get kids into the cleanliness habit. The poster was distributed free to schools and was available to consumers in exchange for proofs of purchase from bars of Palmolive soap.

Planter's Peanuts

Planter's Peanuts was one of the first companies to recognize the value of bringing product identification into the home as well as the store.

Planter's used a variety of Mr. Peanut premiums to communicate the message that its peanuts were "hot, fresh, tasty and good for you." Premiums included salt and pepper shakers, oil and vinegar dispensers, and nut dishes in a variety of sizes and shapes.

Mr. Klein found many of these



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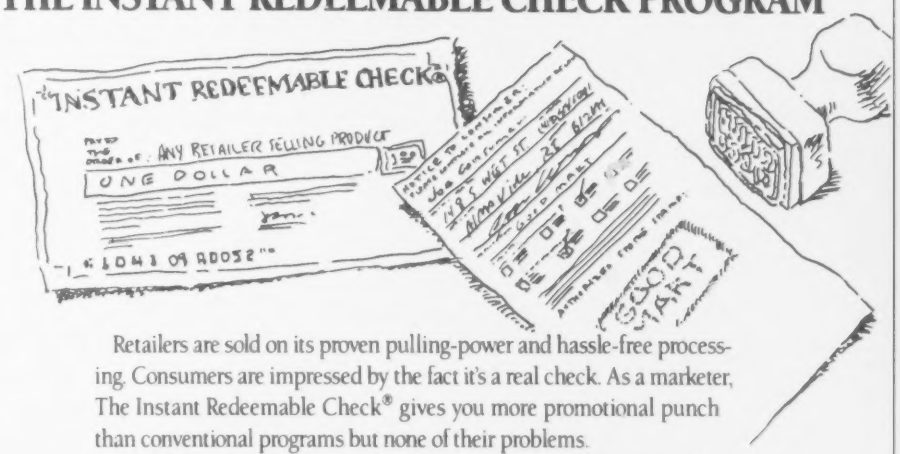

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30-to-40-year-old items in a Montana general store that was going out of business.

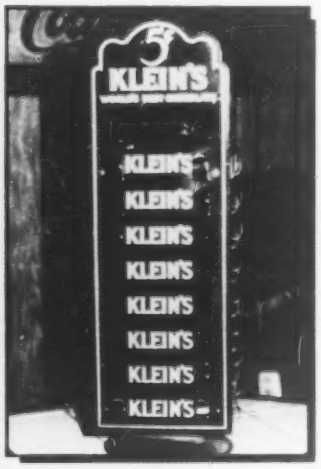
RCA

The RCA dog, Nipper, was long associated with the RCA records label. This point-of-sale Nipper was actually a cast-iron doorstop de-

signed for use in radio and appliance stores. Although Klein's Nipper shows some signs of wear, the character remains as fresh as ever and is making a comeback at RCA.

Klein's Chocolate

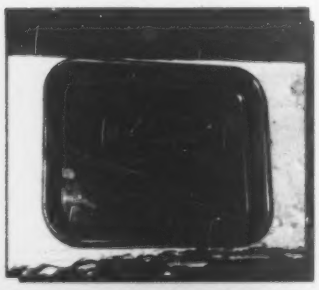
This rotating display for Klein's Chocolate, a regional brand, was found at a Maryland antique show. The display, offered free of charge to mom-and-pop candy stores in the



Philadelphia area, held 48 chocolate bars.

Coca-Cola

This is one of a series of Coca-Cola trays featuring beautiful women dressed in all-American



fashions distributed to restaurants in the 1920s to encourage waitresses to serve Coke on trays. "Coca-Cola wanted images that suggested apple pie and motherhood—not something frivolous," Mr. Klein says.

Cute characters

Self-liquidating premiums of commercial characters remain perennial favorites. Shown are 25-year-old-plus Campbell's Kids dolls from Campbell Soup Co.; Snap, Crackle, Pop figures from Kellogg's Rice Krispies cereal; a giant replica of a Heinz Tomato Juice can, three Coca-Cola trays, a Charlie the Tuna rubber toy, and Mickey Mouse, Domino Pizza's Noid, Kool-Aid and Lulu collectibles. □

PROMOTION PROS' PICKS

Miller beats on Beatrice game

Bernard Miller III, president, Columbian Advertising, Chicago—

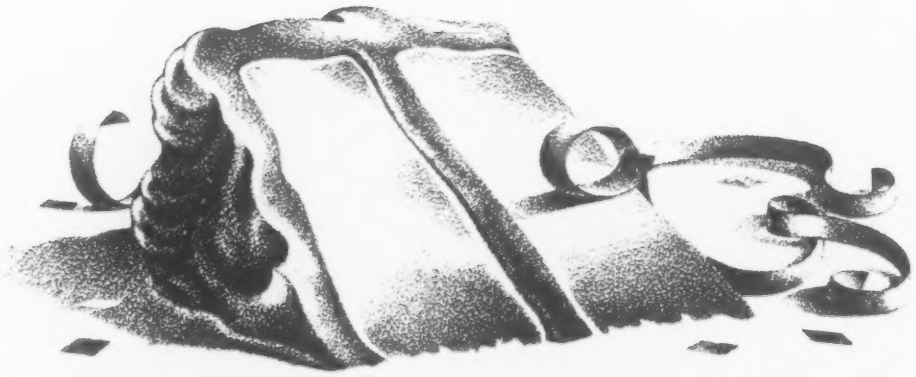
"The worst? I guess it was a game for Beatrice where a guy here in Chicago figured out the [scratch 'n win] coding in a way to win $14 million. They had to pull the game; I think it's still pending.

"The best, from a sales promotion standpoint, would be the 'Mileage Plus' programs beginning with American Airlines—I think they were first. [American Airlines AAdvantage program, the first of its kind, started in 1981.] That whole concept changed the way people thought about flying. It really influenced how they were going to choose an airline. Now you can get added-on miles by using your Visa card. I bet that's very big business with

all the hotels and car rental places it's extended through. Brilliant!"

—Lenore Skenazy

MPS makes Tupperware parties unforgettable.



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Mergers, acquisitions conglomerates not withstanding, the only promotion agency selected by Ad Age as among the top 5 agencies in America two years running is...

the Promotion Group incorporated

Merkel upsets the continuum

Woman finds way to make things happen

By Christy Fisher

The simple and straightforward concept Roberta "Bobbi" Merkel adheres to is "good work and no bull."

Ms. Merkel believes in opportunities, not obstacles. That may be why she is one of the few women who owns a marketing and sales promotion agency. "I like to find ways to make things happen," she says.

Combining this entrepreneurial spirit with a belief that corporate politics bog down creativity, Ms. Merkel launched The Marketing Continuum in Dallas in 1984. "I wanted to create a place where good work would shine through and politics could be avoided."

Ms. Merkel started her career at Miller Brewing Co., as a pricing analyst. Although the job offered an education on the beer market, it stifled creativity and offered limited advancement, she says.

Looking for a way into sales promotion and marketing, Ms. Merkel pitched her case to the VP of market planning, a risky move that sidestepped her department head and labeled her a troublemaker. However, Ms. Merkel got a job as coordinator of brand promotion and eventually promotion planning supervisor.

Although she advocates working within the system until all alternatives are exhausted, sometimes it is necessary to take risks, Ms. Merkel says.

In 1981, she and Gary Von Kennel, then manager-brand promotions at Miller, set up Promotional Services Group, a wholly owned subsidiary of Tracy-Locke/Dallas.

The Marketing Continuum is sales-promotion agency of record for Labatt's USA beer brands, three Schenley Affiliated Brands bourbons, and does project work for Southland Corp. and Taco Bell.

On May 1, Labatt's USA will launch a national promotion for its Latrobe Brewing Co. brand, Rolling Rock beer. Consumers can order a "Bucket of Rocks" for $5.95—an old fashioned tin waterbucket filled with ice and Rolling Rock beer. At the same time a print campaign will break in *Esquire, Sports Illustrated* and *Rolling Stone*.

AmeriFoods Cos. also plans to use The Marketing Continuum, says President Mike Moon. "When sales-promotion agencies make pitches they often just drag out a catalog of tricks and devices and show no creativity or ways to approach the trade and sales force," he says.

"But Bobbi presents a full-blown marketing plan. She assiduously figures the different audiences, the trade impact, the consumer impact, the budget impact and the potential payback," Mr. Moon says.

He became a Merkel fan as VP-brand management at Campbell Taggart, an Anheuser-Busch baking subsidiary. Mr. Moon invited her to present an overall marketing plan for Campbell Taggart to August

No beer, "no bull" for Marketing Continuum's "Bobbi" Merkel, one of the few women running a promotion shop.

Busch III, who was impressed. Even though Ms. Merkel is an ex-Miller employee, Mr. Busch asked, "Can we own her?" Mr. Moon recalls.

"It was the finest promotion we had ever run," he says of a Merkel-designed program tied to an essay contest. He reassigned all sales promotion and advertising business—handled by three major ad agencies and several promotion houses—to The Marketing Continuum.

There is no power structure at this $945,000 11-employee agency: Titles are avoided and all tables are round so no one sits at the head.

Ms. Merkel's introduction to sales promotion came through her father, a food broker, whom she often accompanied as he set up programs for stores. "I grew up reading sales sheets, paging through incentive catalogs and passing out coupons," she says. □

It pays to corral Japanese cars

Western shops create their own resources

By Marcy Magiera

Today, "if you're a sales promotion agency in New York, you'd better have a lot of consumer package goods accounts," says Matt Alcone. "Out here, you'd better have a Japanese car company."

The Promotion Group in Irvine, Calif., has four: American Isuzu Motors, Mazda Motors of America, Mitsubishi Motor Sales of America, and Nissan Motor Co.

When Mr. Alcone launched the Promotion Group in 1978, "People were telling me I was crazy to open a sales-promotion agency in California," he says. "They all said I had to go to New York or Chicago, but I didn't want to live there," says the native Californian.

The agency he opened with a P.O. Box on Balboa Island now employs 100 people and had revenues of

(Continued on Page S-20)

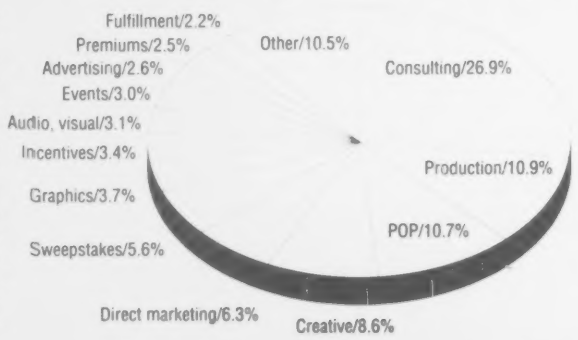
Matt Alcone believes in luck and planning for The Promotion Group.

Top services of sales promotion agencies

Service	Total revenues 1988	Total revenues 1987	% chg	Total service revenues % total revenues 1988	Total service revenues % total revenues 1987
Consulting, planning, strategy	99,742	80,540	23.8	26.9	25.5
Production	40,377	39,223	2.9	10.9	12.4
Point-of-purchase	39,726	29,658	33.9	10.7	9.4
Creative services	31,792	26,894	18.2	8.6	8.5
Direct marketing	23,454	21,355	9.8	6.3	6.8
Sweepstakes, games, contests	20,733	20,705	0.1	5.6	6.6
Graphics	13,560	12,965	4.6	3.7	4.1
Incentives	12,536	12,919	(3.0)	3.4	4.1
Audio, visual	11,427	9,200	24.2	3.1	2.9
Event marketing	11,108	6,117	81.6	3.0	1.9
Advertising, media	9,577	8,514	12.5	2.6	2.7
Premiums	9,179	9,294	(1.2)	2.5	2.9
Fulfillment	8,243	5,275	56.3	2.2	1.7
Other	38,777	33,251	16.6	10.5	10.5
Subtotal service revenues reported*	370,230	315,911	17.2	100.0	100.0
Total revenues (all agencies)	498,550	404,315	23.3		

Notes: Dollars are in thousands. 1987 figures are AA estimates. *Total includes only agencies that broke out services. **Source:** AA survey

Service revenues as % of $370 million total* in 1988



Data compiled by Kenneth Wylie. AA chart: Kevin Brown.

PROMOTION PROS' PICKS

McElnea hits Polaroid, TWA link

Jeff McElnea, president, Einson Freeman, Paramus, N.J.

"The worst sales promotion would be perhaps the Polaroid-TWA tie-in. It gave 25% off TWA travel when you bought a Polaroid.

"This was probably OK for Polaroid, but apparently someone forgot to put a limit, 'One per customer.' So there were travel agencies buying up thousands of cameras [to get the travel discount]. Then the cameras were dumped, and of course the whole reason for selling a camera is to sell the film.

"The best promotion has been the 'Pepsi Challenge.' The whole campaign since the mid-'70s has been great, especially taking it to the street. It's been a fluid, ongoing event ever since it was conceived by a bottler in Texas."

—*Lenore Skenazy*

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It pays

(Continued from Page S-18)

$15.4 million in 1988—making it the No. 8 full-service sales promotion agency. Mr. Alcone estimates 1989 revenues and profits will increase 25% to 30%. Its clients include: Blue Cross of California, Burger King Corp., Coldwell Banker Residential Real Estate and Van De Kamp's Frozen Foods.

The agency's success is the product of two factors, Mr. Alcone says: luck and planning.

"Southern California became a greater influence in American business because of the Pacific Rim;" that was luck, Mr. Alcone admits.

And being far from the established sales promotion community actually contributed to the company's growth.

"Because we started in California, we couldn't rely on peripheral support companies like fulfillment companies, telemarketers, etc." says Mr. Alcone, 35. "Out here in the unwashed West, there weren't those resources. As you developed the kinds of programs that required these outside resources, you had to do them yourself to make sure you could do it correctly," he says.

"The other thing that probably hasn't hurt us at all is the emergence of West Coast [ad] agencies like Chiat/Day."

Mr. Alcone likes to tap those agencies for staffers. "I've looked for people on the agency side, sales promotion or advertising, rather than the client side, because they have a different psychological make-up," he says. "Agency people are more used to ups and downs, to rejection, and to eating crow."

Attracting talent has become less of a battle. "We get a lot of resumes from ad agency people," says Mr. Alcone. "A number of qualified, very intelligent agency people see sales promotion opportunities and want to explore them . . . They're good candidates because they understand client relationships."

The agency has seven or eight account groups, each comprised of an account exec, account coordinator and varying numbers of specialists in data processing, fulfillment or promotional merchandise. There also is a full creative department, to avoid "a constant reliance on free-lance," he says.

"I want to be instrumental in creating the J. Walter Thompson, McCann-Erickson or Chiat/Day of the sales promotion industry," says Mr. Alcone. □

Associate Editor Pat Gray Thomas coordinated this report on Sales Promotion. Free-lance writer Kenneth Wylie compiled the data on the sales promotion agencies. Profile Issues Editor R. Craig Endicott and Associate Editor Kevin Brown provided the analysis.

Sales promotion agencies by service

Rank	Agency	Service revenues 1988	Service revenues 1987	Service revenues % chg	Total revenues 1988	Total revenues 1987	Service revenues % total revenues 1988	Service revenues % total revenues 1987
	Consulting, strategic planning							
1	IMPACT	$10,935	$8,201	33.3	$12,150	$9,112	90.0	90.0
2	CCG/TCA	7,391	NA	NA	16,425	10,653	45.0	NA
3	Marketing Corp. of America	4,675	4,180	11.8	8,500	7,600	55.0	55.0
4	D.L. Blair Corp.	4,598	3,825	20.2	24,200	22,500	19.0	17.0
5	Sage Worldwide Promotions	4,359	4,263	[illegible]	14,100	7,105	30.9	60.0
6	Sims Freeman O'Brien	4,184	NA	NA	8,368	4,544	50.0	NA
7	Lee Hill Inc.	3,599	2,580	39.0	5,142	3,699	70.0	70.0
8	Cato Johnson/Y&R	3,325	2,742	21.3	6,927	5,712	48.0	48.0
9	Flair Communications Agency	3,170	2,252	40.8	12,680	11,261	25.0	20.0
10	Promotion Group	3,086	NA	NA	15,430	12,050	20.0	NA
	Point of purchase							
1	Sage Worldwide Promotions	7,477	1,989	275.9	14,105	7,105	53.0	28.0
2	Columbian Advertising	4,557	NA	NA	7,595	6,175	60.0	NA
3	Comart-KLP	4,521	5,676	(20.3)	13,700	12,900	33.0	44.0
4	CCG/TCA	4,106	NA	NA	16,425	10,653	25.0	NA
5	Flair Communications Agency	3,170	3,378	(6.2)	12,680	11,261	25.0	30.0
6	Block Everett Nardizzi (BEN)	2,256	1,184	90.5	5,640	3,700	40.0	32.0
7	PriceWeber Marketing Communications	2,250	2,035	10.6	4,500	3,700	50.0	55.0
8	Promotion Group	1,543	NA	NA	15,430	12,050	10.0	NA
9	Wolf Blumberg Krody	1,248	1,215	2.7	3,900	4,050	32.0	30.0
10	Good Promotions	1,200	570	111.0	2,000	950	60.0	60.0
	Production							
1	American Consulting Corp.(FKB)*	10,935	11,475	(4.7)	24,300	25,500	45.0	45.0
2	Merchandising Workshop	5,738	5,250	9.3	8,500	8,000	67.5	65.6
3	Einson Freeman	2,880	2,660	8.3	16,000	9,500	18.0	28.0
4	R.P. Klein Associates	2,625	3,375	(22.2)	3,500	4,500	75.0	75.0
5	Robert H. Meyer & Associates	1,926	1,806	6.6	2,502	2,076	77.0	87.0
6	IMPACT	1,215	911	33.3	12,150	9,112	10.0	10.0
7	Alley Marketing	1,036	934	11.0	2,303	2,075	45.0	45.0
8	William A. Robinson	840	960	(12.5)	5,600	4,800	15.0	20.0
9	WORCO Marketing Resources	750	400	87.5	3,000	2,000	25.0	20.0
10	Henschel-Steinau Mktg. Svcs.	720	NA	NA	1,200	NA	60.0	NA
	Creative services							
1	Einson Freeman	7,200	4,465	61.3	16,000	9,500	45.0	47.0
2	QLM Associates (FKB)	4,928	3,986	23.6	9,855	7,247	50.0	55.0
3	Guild Group	4,800	5,610	(14.4)	6,000	6,600	80.0	85.0
4	Merchandising Workshop	2,465	2,448	0.7	8,500	8,000	29.0	30.6
5	Saugatuck Group (FKB)	1,372	NA	NA	5,486	NA	25.0	NA
6	William A. Robinson	1,120	960	16.7	5,600	4,800	20.0	20.0
7	Lee Hill Inc.	1,028	555	85.3	5,142	3,699	20.0	15.0
8	Herman & Mancino	850	720	18.1	1,700	1,200	50.0	60.0
9	PGM Inc.	738	693	6.5	2,108	1,872	35.0	37.0
10	D.L. Blair Corp.	726	675	7.6	24,200	22,500	3.0	3.0
	Direct marketing							
1	D.L. Blair Corp.	4,356	4,275	1.9	24,200	22,500	18.0	19.0
2	Flair Communications Agency	1,902	1,126	68.9	12,680	11,261	15.0	10.0
3	CCG/TCA	1,643	NA	NA	16,425	10,653	10.0	NA
4	Promotion Group	1,543	NA	NA	15,430	12,050	10.0	NA
5	Columbian Advertising	1,519	NA	NA	7,595	6,175	20.0	NA
6	Roger Maier Inc.	1,475	NA	NA	2,950	2,600	50.0	NA
7	Comart-KLP	1,233	903	36.5	13,700	12,900	9.0	7.0
8	Saugatuck Group (FKB)	1,097	NA	NA	5,486	NA	20.0	NA
9	Modular Marketing	893	677	32.0	2,977	1,933	30.0	35.0
10	Marketing Partnership	452	NA	NA	2,260	2,200	19.9	NA
	Sweepstakes, games & contests							
1	D.L. Blair Corp.	6,282	5,850	7.6	24,200	22,500	26.0	26.0
2	Flair Communications Agency	2,536	3,378	(24.9)	12,680	11,261	20.0	30.0
3	Smiley Promotion	2,186	NA	NA	3,975	3,600	55.0	NA
4	Don Jagoda Associates	1,838	1,948	(5.6)	4,275	4,100	43.0	47.5
5	Amrein Marketing Associates	1,072	NA	NA	5,361	2,500	20.0	NA
6	JKC Marketing	900	NA	NA	3,000	NA	30.0	NA
7	Promotion Group	772	NA	NA	15,430	12,050	5.0	NA
8	Herman & Mancino	680	NA	NA	1,700	1,200	40.0	NA
9	Communications Unlimited	640	560	14.3	6,400	5,600	10.0	10.0
10	Lee Krost Associates	640	525	21.9	3,200	2,100	20.0	25.0

Notes: Dollars are in thousands. *includes promotion and design execution. Source: AA survey. Data compiled by Kenneth Wylie. AA chart: Kevin Brown.

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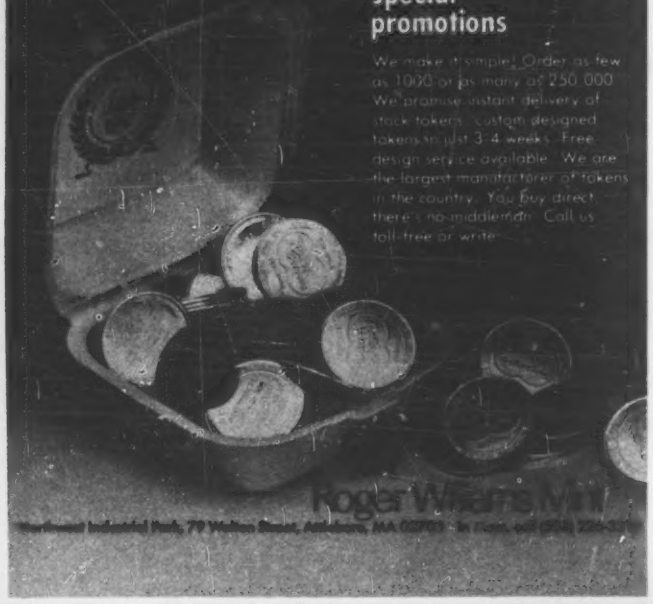

Roger Wilams Mfg.